

## SCHOOL ACTIVITY FUNDS

The Ledyard Board of Education directs that each school establish a single school activity fund for the purpose of handling monies for student organizations, clubs and approved activities, extracurricular activities, field trips, scholarships, gate and event receipts, and other programs and activities in support of the operation of the school. No other school funds are allowed without the specific permission of the Board.

School activity funds shall not be used for any purpose that represents an accommodation, loan or extension of credit to any person.

The school activity fund will be the normal vehicle for accepting and expending cash donations to the school in accordance with Board Policy 3280, *Donations and Bequests*.

A class in its senior year, or a student organization, club or activity that is disbanding, shall determine at a regularly-called meeting its preference for the disposition of any funds remaining after all of its financial obligations have been discharged. Such disposition shall be subject to the review and approval of the building Principal. Any monies from such student activity for which no disposition has been made shall be expended or re-allocated at the building Principal's direction for the benefit of the entire student body.

### Responsibilities

The building Principal, as trustee for the fund, shall be directly responsible for the conduct of student financial activities in the school and the administration of the school activity fund.

Each building Principal shall designate a school employee to serve as the treasurer of the school activity fund. Each treasurer shall be bonded and shall keep separate accounts for each activity and program included in the school activity fund. Each treasurer shall administer the school activity fund in accordance with applicable Board policies, administrative regulations, generally accepted accounting procedures, and other procedures as directed by the Business Manager.

The Business Manager shall have the responsibility and authority to implement all policies, regulations and procedures pertaining to supervision and administration of school activity funds and the individual activity accounts within each school activity fund. The Business Manager shall periodically and randomly audit each school activity fund to check that it is being properly administered in accordance with this policy and other specified procedures.

### Collection, Deposit and Disbursement of School Activity Fund Monies

The Business Manager, in consultation with the building Principal and the Superintendent, shall develop written procedures for each school in the District regarding the collection, deposit and disbursement of money for each school activity fund. These procedures shall provide the necessary controls so that there is a clear record of: (1) how much money was collected from whom, when and for what reasons; (2) how much money was disbursed to whom, when and for what reasons; (3) the amount of cash retained in the school safe; and (4) the amount in checks and cash for each deposit. These procedures shall clearly specify which employee(s) at each school will have the authority to sign checks.

The following requirements shall also be included in the procedures for administering student activity funds:

- Students and their parents/guardians shall be encouraged to make payments to school activities by check instead of cash whenever possible. Checks should note the purpose of the payment and the student's name.
- Gate Collections and Ticket Sales- Monies collected at student activities and school events shall, at the end of the event or activity, be counted by two responsible individuals who shall record separately the amount of cash and the amount of checks collected. Both persons shall sign the record sheet and turn the money and record sheet into the designated school employee. The record of the monies collected shall be retained by the school activity fund treasurer as an auditable item.
- All monies collected shall be placed in the school safe until such time as a deposit can be made. Deposits of monies collected should be made daily when possible and no less than once a week.
- All checks received for deposit in the school activity fund shall be endorsed immediately upon receipt showing a restrictive endorsement (e.g., "For Deposit Only" in the specific school's activity fund by name).
- All disbursements from the school activity fund shall normally be made on pre-numbered checks. Cash refunds can be given to students as necessary but must be clearly documented.

- Checks will be completely filled out prior to signature. Blank checks are not to be signed; such action makes the signer personally liable for anything recorded over his/her signature. The authorized signer cannot write a check to themselves, and checks cannot be made out to "cash."
- Disbursements shall be supported by invoices bearing the signatures of the responsible school employee(s) certifying the receipt of merchandise and/or services, accuracy of prices, extensions and totals, and approval for payment. When a check has been written, the invoice and supporting documents shall be marked with "Paid by Check Number \_\_\_ " and the date of the payment, and the paperwork shall be filed for auditing purposes.

#### Records of Transactions and Sub-Account Balances

The treasurer of each school activity fund shall maintain a complete set of books recording all monies deposited in and disbursed from the school activity fund. The Cash Receipts Journal and the Cash Disbursements Journal shall serve as a control whereby the total amount of money deposited and expended for all sub-accounts in the school activity fund is maintained continuously. All transactions shall be entered into the appropriate journal and categorized by sub-account activity or program.

The treasurer shall maintain a journal for each sub-account in the school activity fund that records all activity, both deposits and disbursements, and the running balance for that sub account.

#### Reconciliation of Bank Statements

The treasurer of each school activity fund shall reconcile the bank statement with the activity fund books on a monthly basis.

#### Monthly Financial Statement and Reviews

The treasurer of each school activity fund shall prepare a monthly financial statement showing the total of receipts and disbursements during the month and the balance of the school activity fund and each individual sub-account at the end of the month. The monthly financial statement shall include a statement that the bank statement was reconciled, list any issues encountered in the administration of the fund that month (such as bounced checks, late payment penalties, etc.), and include any additional information as directed by the building Principal and/or Business Manager.

The treasurer shall route the monthly financial statement to the building Principal who will

forward it to the Business Manager.

For each student activity, club, extra-curricular activity, etc. having a sub-account in the school activity fund, the school employee responsible for supervision of the student activity or school program shall at least monthly review the journal for the sub-account to verify that it accurately reflects the financial activity. The school employee shall sign the sub-account journal or otherwise make a permanent record of having completed the monthly review. At the time of the monthly review, the school employee responsible for a sub-account will be given a copy of the monthly statement for that sub-account to be retained in their records.

#### Annual Financial Statement

The treasurer of each school activity fund shall prepare an annual financial statement at the end of each school year (the date to be specified by the Business Manager) showing (1) the total of receipts and disbursements for the school year for the school activity fund and each individual sub-account and (2) the ending balance of the school activity fund and each individual sub-account. The annual financial statement shall also include any other information as specified by the building Principal and/or Business Manager.

The treasurer shall route the annual financial statement to the building Principal who will forward it to the Business Manager.

#### Annual Audit

In accordance with Connecticut General Statutes, the accounts of each school activity fund shall be considered town accounts and shall be audited annually by the town auditor in the same manner as all other town accounts. Copies of the audit report shall be maintained by the Business Manager as a permanent record.

#### Reports to the Board

Copies of the annual financial statement for each school activity fund shall be provided to the Board in August. The results of the annual audit by the independent auditor shall be reported to the Board when received.

#### Legal Reference:

Connecticut General Statutes, Section 10-237. School activity funds.

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LEDYARD PUBLIC SCHOOLS  
Ledyard, Connecticut